



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

A-821-809

Certain Hot-Rolled Carbon Steel Flat Products from the Russian Federation: Preliminary Results of Antidumping Duty Administrative Review; 2014-2015

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on hot-rolled carbon steel flat products (hot-rolled steel) from the Russian Federation (Russia). The period of review (POR) is December 19, 2014, through November 30, 2015. The review covers one producer/exporter of the subject merchandise, Severstal PAO and Severstal Export (collectively, Severstal). We preliminarily determine that sales of subject merchandise by Severstal were made at less than normal value during the POR. Interested parties are invited to comment on these preliminary results.

DATES: Effective [INSERT DATE OF PUBLICATION IN THE *Federal Register*].

FOR FURTHER INFORMATION, CONTACT: John Drury or Madeline Heeren, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0195 or (202) 482-9179, respectively.

## SUPPLEMENTARY INFORMATION:

### Background

The Department published the notice of initiation of this review on February 9, 2016.<sup>1</sup> Pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), the Department extended these preliminary results by 106 days until December 16, 2016.<sup>2</sup> The Department then extended the preliminary results by an additional 14 days until December 31, 2016.<sup>3</sup>

For a description of the events that occurred prior, and subsequent, to the initiation of this review, *see* the memorandum dated concurrently with and hereby adopted by this notice<sup>4</sup> and Appendix I of this notice. The Preliminary Decision Memorandum is a public document and is on file electronically *via* Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). Access to ACCESS is available to registered users at <http://access.trade.gov> and is available to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the Internet at <http://enforcement.trade.gov/frn/index.html>. A list of topics discussed in the Preliminary Decision Memorandum is attached as an Appendix to this notice. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

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<sup>1</sup> *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 81 FR 6832 (February 9, 2016) (*Initiation Notice*).

<sup>2</sup> *See* Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, entitled "Certain Hot-Rolled Carbon Steel Flat Products from the Russian Federation: Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review; 2014/2015," dated August 17, 2016.

<sup>3</sup> *See* Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, entitled "Certain Hot-Rolled Carbon Steel Flat Products from the Russian Federation: Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review; 2014/2015," dated December 16, 2016.

<sup>4</sup> *See* Memorandum to Paul Piquado, Assistant Secretary for Enforcement and Compliance, from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations entitled: "Decision Memorandum for the Preliminary Results of Review of Certain Hot-Rolled Carbon Steel Flat Products from the Russian Federation" (Preliminary Decision Memorandum).

### Scope of the Order

The product covered by this order is hot-rolled steel from Russia. The full text of the scope of the order is contained in the Preliminary Decision Memorandum.

### Methodology

The Department is conducting this review in accordance with section 751(a)(2) of the Act. For a full description of the methodology and rationale underlying our conclusions, *see* the Preliminary Decision Memorandum.

### Application of Facts Available and Adverse Facts Available

We preliminarily determine that the only respondent being individually reviewed, Severstal, failed to cooperate to the best of its ability in participating in the review, warranting the application of facts otherwise available with adverse inferences, pursuant to section 776(a)-(b) of the Act. For a full description of the rationale underlying our conclusions, *see* the Preliminary Decision Memorandum.

### Preliminary Results of Review

We preliminarily determine that, for the period December 19, 2014, through November 30, 2015, the following weighted -average dumping margin exist:

| Exporter/Producer  | Weighted-Average Dumping Margin |
|--|---------------------------------|
| Severstal PAO and Severstal Export (collectively, Severstal) | 184.56 percent                  |

### Disclosure and Public Comment

The Department will disclose to parties to the proceeding any calculations performed in connection with these preliminary results of review within five days after the date of publication

of this notice.<sup>5</sup> Interested parties may submit case briefs to the Department in response to these preliminary results no later than 30 days after the publication of these preliminary results.<sup>6</sup>

Rebuttal briefs, the content of which is limited to the issues raised in the case briefs, must be filed within five days from the deadline date for the submission of case briefs.<sup>7</sup>

Parties who submit arguments in this proceeding are requested to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.<sup>8</sup> Executive summaries should be limited to five pages total, including footnotes. Case and rebuttal briefs should be filed using ACCESS.<sup>9</sup> In order to be properly filed, ACCESS must successfully receive an electronically-filed document in its entirety by 5 p.m. Eastern Time. Case and rebuttal briefs must be served on interested parties.<sup>10</sup>

Within 30 days of the date of publication of this notice, interested parties may request a public hearing on arguments raised in the case and rebuttal briefs.<sup>11</sup> Unless the Department specifies otherwise, the hearing, if requested, will be held two days after the date for submission of rebuttal briefs.<sup>12</sup> Written argument and hearing requests should be electronically submitted to the Department via ACCESS.<sup>13</sup> The Department's electronic records system, ACCESS, must successfully receive an electronically-filed document in its entirety by 5:00 p.m. Eastern Daylight Time within 30 days after the date of publication of this notice.<sup>14</sup> Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and

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<sup>5</sup> See 19 CFR 351.224(b).

<sup>6</sup> See 19 CFR 351.309(c)(1)(ii).

<sup>7</sup> See 19 CFR 351.309(d)(1) and (2).

<sup>8</sup> See 19 CFR 351.309(c)(2).

<sup>9</sup> See generally 19 CFR 351.303.

<sup>10</sup> See 19 CFR 351.303(f).

<sup>11</sup> See 19 CFR 351.310(c).

<sup>12</sup> See 19 CFR 351.310(d)(1).

<sup>13</sup> See generally 19 CFR 351.303.

<sup>14</sup> See 19 CFR 351.310(c).

(3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case briefs. Parties will be notified of the time and location of the hearing.

The Department intends to publish the final results of this administrative review, including the results of its analysis of issues addressed in any case or rebuttal brief, no later than 120 days after publication of the preliminary results, unless extended.<sup>15</sup>

#### Assessment Rates

Upon completion of this administrative review, the Department shall determine, and Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries.<sup>16</sup> If Severstal's weighted-average dumping margin is not zero or *de minimis* in the final results of this review, we will calculate importer-specific assessment rates on the basis of the ratio of the total amount of antidumping duties calculated for an importer's examined sales and the total entered value of such sales in accordance with 19 CFR 351.212(b)(1). If Severstal's weighted-average dumping margin is zero or *de minimis* in the final results of review, we will instruct CBP not to assess duties on any of its entries in accordance with the *Final Modification for Reviews*, i.e., “{w}here the weighted-average margin of dumping for the exporter is determined to be zero or *de minimis*, no antidumping duties will be assessed.”<sup>17</sup> The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review and for future deposits of estimated duties, where applicable.

We intend to issue liquidation instructions to CBP 15 days after publication of the final results of this review.

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<sup>15</sup> See section 751(a)(3)(A) of the Act; 19 CFR 351.213(h).

<sup>16</sup> See 19 CFR 351.212(b)(1).

<sup>17</sup> See *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101, 8102 (February 14, 2012) (*Final Modification for Reviews*).

### Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for Severstal will be that established in the final results of this administrative review; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or in the investigation but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be the all-others rate of 184.56 percent, which is the all-others rate established in the investigation.<sup>18</sup> These cash deposit requirements, when imposed, shall remain in effect until further notice.

### Notification to Importers

This notice also serves as a reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Department's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

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<sup>18</sup> See *Termination of the Suspension Agreement on Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from the Russian Federation, Rescission of 2013–2014 Administrative Review, and Issuance of Antidumping Duty Order*, 79 FR 77455 (December 24, 2014).

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: December 27, 2016

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Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

## Appendix I

### Scope of the Investigation

For the purposes of this Administrative Review, "hot-rolled steel" means certain hot-rolled flat-rolled carbon-quality steel products of a rectangular shape, of a width of 0.5 inch or greater, neither clad, plated, nor coated with metal and whether or not painted, varnished, or coated with plastics or other non-metallic substances, in coils (whether or not in successively superimposed layers) regardless of thickness, and in straight lengths, of a thickness less than 4.75 mm and of a width measuring at least 10 times the thickness.

Universal mill plate (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1250 mm and of a thickness of not less than 4 mm, not in coils and without patterns in relief) of a thickness not less than 4.0 mm is not included within the scope of this administrative review.

Specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free ("IF")) steels, high strength low alloy ("HSLA") steels, and the substrate for motor lamination steels. IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. The substrate for motor lamination steels contains micro-alloying levels of elements such as silicon and aluminum.

Steel products to be included in the scope of this administrative review, regardless of Harmonized Tariff Schedule of the United States ("HTSUS") definitions, are products in which: 1) iron predominates, by weight, over each of the other contained elements; 2) the carbon content is 2 percent or less, by weight; and 3) none of the elements listed below exceeds the quantity, by weight, respectively indicated: 1.80 percent of manganese, or 1.50 percent of silicon, or 1.00 percent of copper, or 0.50 percent of aluminum, or 1.25 percent of chromium, or 0.30 percent of cobalt, or 0.40 percent of lead, or 1.25 percent of nickel, or 0.30 percent of tungsten, or 0.012 percent of boron, or 0.10 percent of molybdenum, or 0.10 percent of niobium, or 0.41 percent of titanium, or 0.15 percent of vanadium, or 0.15 percent of zirconium.

All products that meet the physical and chemical description provided above are within the scope of this order unless otherwise excluded. The following products, by way of example, are outside and/or specifically excluded from the scope of this order:

- Alloy hot-rolled steel products in which at least one of the chemical elements exceeds those listed above (including *e.g.*, ASTM specifications A543, A387, A514, A517, and A506).
- SAE/AISI grades of series 2300 and higher.
- Ball bearing steels, as defined in the HTSUS.
- Tool steels, as defined in the HTSUS.
- Silica-manganese (as defined in the HTSUS) or silicon electrical steel with a silicon level exceeding 1.50 percent.



- ASTM specifications A710 and A736.
- USS Abrasion-resistant steels (USS AR 400, USS AR 500).
- Hot-rolled steel coil which meets the following chemical, physical and mechanical specifications:

| C            | Mn        | P          | S          | Si           | Cr           | Cu           | Ni        |
|--------------|-----------|------------|------------|--------------|--------------|--------------|-----------|
| 0.10 - 0.14% | 0.90% Max | 0.025% Max | 0.005% Max | 0.30 - 0.50% | 0.50 - 0.70% | 0.20 - 0.40% | 0.20% Max |

Width = 44.80 inches maximum; Thickness = 0.063 - 0.198 inches;

Yield Strength = 50,000 ksi minimum; Tensile Strength = 70,000- 88,000 psi.

- Hot-rolled steel coil which meets the following chemical, physical and mechanical specifications:

| C            | Mn            | P          | S          | Si           | Cr           | Cu        | Ni        |
|--------------|---------------|------------|------------|--------------|--------------|-----------|-----------|
| 0.10 - 0.16% | 0.70% - 0.90% | 0.025% Max | 0.006% Max | 0.30 - 0.50% | 0.50 - 0.70% | 0.25% Max | 0.20% Max |
| Mo           |               |            |            |              |              |           |           |
| 0.21% Max    |               |            |            |              |              |           |           |

Width = 44.80 inches maximum; Thickness = 0.350 inches maximum;

Yield Strength = 80,000 ksi minimum; Tensile Strength = 105,000 psi Aim.

- Hot-rolled steel coil which meets the following chemical, physical and mechanical specifications:

| C            | Mn           | P          | S          | Si           | Cr           | Cu           | Ni        |
|--------------|--------------|------------|------------|--------------|--------------|--------------|-----------|
| 0.10 - 0.14% | 1.30 – 1.80% | 0.025% Max | 0.005% Max | 0.30 - 0.50% | 0.50 - 0.70% | 0.20 – 0.70% | 0.20% Max |
| V(wt.)       | Cb           |            |            |              |              |              |           |
| 0.10% Max    | 0.08% Max    |            |            |              |              |              |           |

Width = 44.80 inches maximum; Thickness = 0.350 inches maximum;

Yield Strength = 80,000 ksi minimum; Tensile Strength = 105,000 psi Aim.

- Hot-rolled steel coil which meets the following chemical, physical and mechanical specifications:

| C     | Mn    | P      | S      | Si    | Cr    | Cu    | Ni   |
|-------|-------|--------|--------|-------|-------|-------|------|
| 0.15% | 1.40% | 0.025% | 0.010% | 0.50% | 1.00% | 0.50% | .20% |

|               |         |                 |     |     |     |     |     |
|---------------|---------|-----------------|-----|-----|-----|-----|-----|
| Max           | Max     | Max             | Max | Max | Max | Max | Max |
| Nb            | Ca      | Al              |     |     |     |     |     |
| 0.005%<br>Max | Treated | 0.01 –<br>0.07% |     |     |     |     |     |

Width = 39.37 inches; Thickness = 0.181 inches maximum; Yield Strength = 70,000 psi minimum for thicknesses  $\leq 0.148$  inches and 65,000 psi minimum for thicknesses  $> 0.148$  inches; Tensile Strength = 80,000 psi minimum.

Hot-rolled dual phase steel, phase-hardened, primarily with a ferritic-martensitic microstructure, contains 0.9 percent up to and including 1.5 percent silicon by weight, further characterized by either (i) tensile strength between 540 N/mm<sup>2</sup> and 640 N/mm<sup>2</sup> and an elongation percentage  $\geq 26$  percent for thicknesses of 2 mm and above, or (ii) a tensile strength between 590 N/mm<sup>2</sup> and 690 N/mm<sup>2</sup> and an elongation percentage  $\geq 25$  percent for thicknesses of 2mm and above.

Hot-rolled bearing quality steel, SAE grade 1050, in coils, with an inclusion rating of 1.0 maximum per ASTM E 45, Method A, with excellent surface quality and chemistry restrictions as follows: 0.012 percent maximum phosphorus, 0.015 percent maximum sulfur, and 0.20 percent maximum residuals including 0.15 percent maximum chromium.

Grade ASTM A570-50 hot-rolled steel sheet in coils or cut lengths, width of 74 inches (nominal, within ASTM tolerances), thickness of 11 gauge (0.119 inches nominal), mill edge and skin passed, with a minimum copper content of 0.20 percent.

The covered merchandise is classified in the HTSUS at subheadings: 7208.10.15.00, 7208.10.30.00, 7208.10.60.00, 7208.25.30.00, 7208.25.60.00, 7208.26.00.30, 7208.26.00.60, 7208.27.00.30, 7208.27.00.60, 7208.36.00.30, 7208.36.00.60, 7208.37.00.30, 7208.37.00.60, 7208.38.00.15, 7208.38.00.30, 7208.38.00.90, 7208.39.00.15, 7208.39.00.30, 7208.39.00.90, 7208.40.60.30, 7208.40.60.60, 7208.53.00.00, 7208.54.00.00, 7208.90.00.00, 7210.70.30.00, 7210.90.90.00, 7211.14.00.30, 7211.14.00.90, 7211.19.15.00, 7211.19.20.00, 7211.19.30.00, 7211.19.45.00, 7211.19.60.00, 7211.19.75.30, 7211.19.75.60, 7211.19.75.90, 7212.40.10.00, 7212.40.50.00, 7212.50.00.00. Certain hot-rolled flat-rolled carbon-quality steel covered include: vacuum degassed, fully stabilized; high strength low alloy; and the substrate for motor lamination steel may also enter under the following tariff numbers: 7225.11.00.00, 7225.19.00.00, 7225.30.30.50, 7225.30.70.00, 7225.40.70.00, 7225.99.00.90, 7226.11.10.00, 7226.11.90.30, 7226.11.90.60, 7226.19.10.00, 7226.19.90.00, 7226.91.50.00, 7226.91.70.00, 7226.91.80.00, and 7226.99.01.80. Although the HTSUS subheadings are provided for convenience and Customs purposes, the written description of the covered merchandise is dispositive.

## **Appendix II**

### **List of Topics Discussed in the Preliminary Decision Memorandum**

#### **1. Adverse Facts Available**

[FR Doc. 2016-31995 Filed: 1/4/2017 8:45 am; Publication Date: 1/5/2017]